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MONTANA
ANNUAL
RURAL MANPOWER
REPORT
1978

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MONTANA STATE JOB SERVICE
EMPLOYMENT SECURITY DIVISION
DEPARTMENT OF LABOR AND INDUSTRY
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The cover picture is a scene located in the Little Belt Mountains South of Utica and West of High Mountain. Photo by Trish Buck.

PREPARED BY

RURAL MANPOWER SECTION
OF THE
MONTANA STATE JOB SERVICE

H.E. WALTERMIRE, DEPUTY ADMINISTRATOR
FOR JOB SERVICES

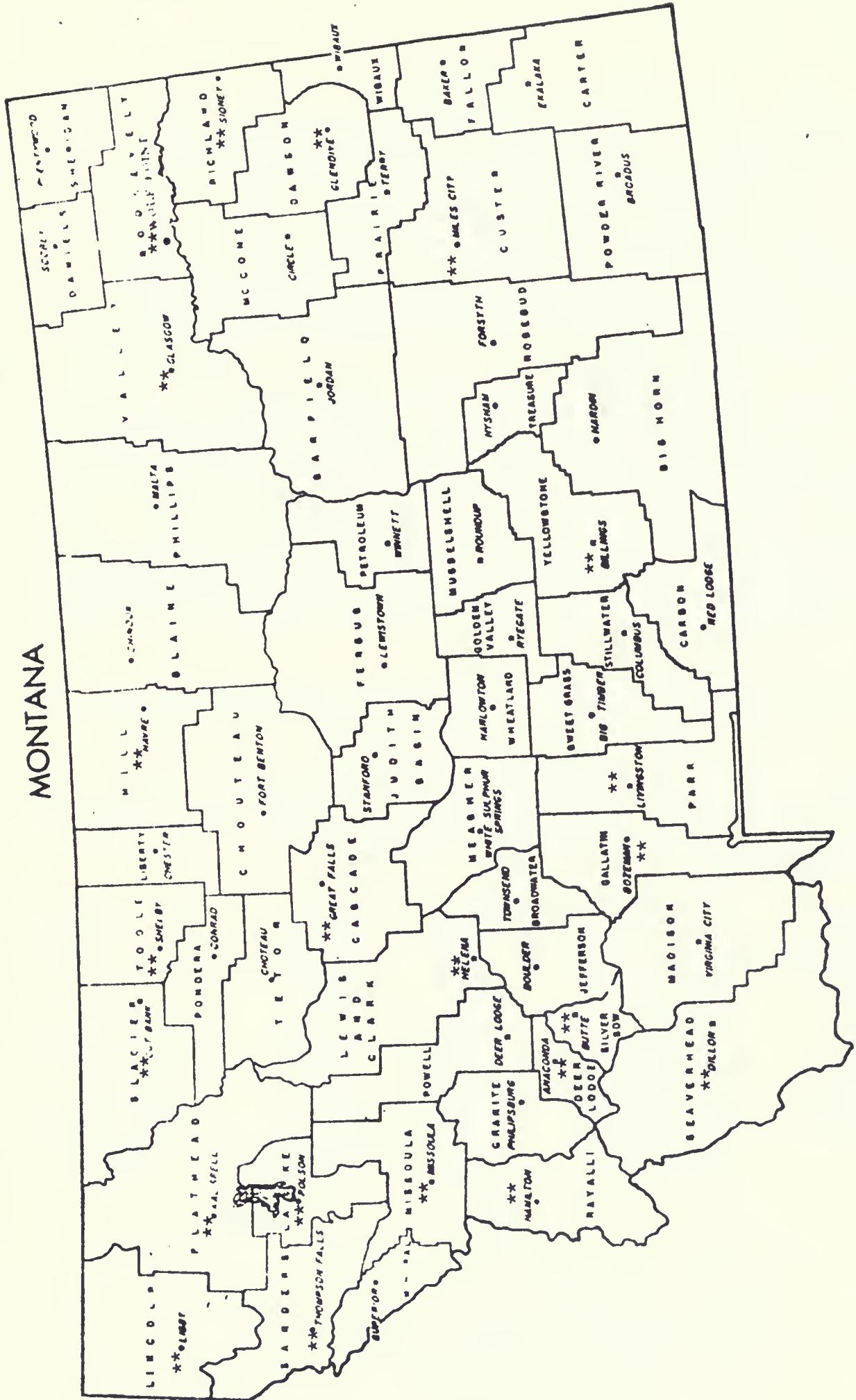
MONTANA STATE JOB SERVICE

SHERM HOOKLAND, SUPERVISOR OF RURAL MANPOWER

FRED BARRETT, ADMINISTRATOR
EMPLOYMENT SECURITY DIVISION

STATE DEPARTMENT OF LABOR & INDUSTRY

MONTANA



**Cities Where Local Joh Service Offices are Located

MONTANA STATISTICS

Montana, the fourth largest state with 147,138 square miles, averages 550 miles wide and 275 miles from north to south. The eastern third is plains country, the central third is plains country with isolated mountain ranges, the western third is mountains and mountain valleys. The eastern two-thirds is primarily agricultural with significant petroleum, natural gas and coal production, while the eastern third contains most of the state's mining, logging and lumbering industries. Located at the north and south boundaries are Glacier and Yellowstone National Parks making the state an ideal attraction for tourists.

Agriculture continues to rank as the number one industry with annual income over \$1 billion. Manufacturing (including lumbering) ranks next, followed by tourist travel and mining.

The population of Montana increased by 66,591 since the 1970 census, reaching 761,000 in 1977 - for an annual growth rate of 1.4 percent. Yellowstone is the state's largest county at 100,100, followed by Cascade, Missoula, Silver Bow and Flathead. The civilian labor force has grown to more than 360,000 with total employment in excess of 339,000.

Employment levels vary constantly according to ever-changing employer needs and the season. Being located in the northern reaches of the United States, the state experiences temperature variation of 120 or more degrees, ranging from lows of -30 degrees (and more) in the winter, to high of 100 degrees (and more) in July and August.

Industries most affected by weather extremes are, of course, agriculture and construction, although significant changes in employment levels occur in the wholesale/retail trade, service and non-Ag other industry groups as well.

The state is served by a network of 24 local offices of the Montana State Job Service. A distance of 648 miles separates the Libby local office, located near the western border of the state and the Sidney local office, located near the eastern border of the state. The cities and addresses of the 24 Job Service offices are listed below.

Anaconda	307 E. Park	59711	Helena	715 Front Street	59601
Billings East	624 N. 24th Str.	59101	Kalispell	427 1st Ave. E.	59901
Billings West	445 S. 24th Str. W.	59102	Lewistown	324 W. Broadway	59457
Bozeman	220 W. Lamme	59715	Libby	314 Calif. Ave.	59923
Butte	206 W. Granite	59701	Livingston	228 S. Main	59047
Cut Bank	513 East Main Str.	59427	Miles City	12 N. 10th Str.	59301
Dillon	126 S. Montana	59725	Missoula	539 S. 3rd Str. W.	59801
Glasgow	238 2nd Ave. S.	59230	Polson	417 Main Street	59860
Glendive	211 S. Kendrick	59330	Shelby	402 1st Str. S.	59474
Great Falls	1018 7th Str. S.	59405	Sidney	120 S. Central	59270
Hamilton	333 Main Str.	59840	Thompson Falls	608 Main Str.	59873
Havre	416 1st Str.	59501	Wolf Point	122 2nd Ave. S.	59201

FORWARD

1978

MONTANA EMPLOYMENT SECURITY DIVISION
RURAL MANPOWER REPORT

One of the objectives of the Montana Employment Security Division is to provide equality of services in all programs administered by the Division to rural area residents throughout Montana. This includes services to agriculture, business, government and workers in meeting their employment and manpower needs.

This report is compiled to provide a summary of Rural Manpower Services accomplished during calendar year 1978, and to relate some of the plans for rural services in 1979.

On behalf of our Job Service offices and particularly the Rural Manpower staff, we express our sincere appreciation to county and city officials, social agencies, agricultural agencies and groups, law enforcement officials, the press, radio and television stations and in particular to the network of Volunteer Rural Manpower representatives for assisting our agency in extending Manpower services to rural areas.

MONTANA ANNUAL RURAL MANPOWER REPORT

MA 5-79

PART I

ANNUAL SUMMARY

ORGANIZATION AND PLANNING

A. During calendar year 1978, there were no major changes in the administrative organizational structure of the Employment Security Division or the Rural Manpower program. The supervisor of Rural Manpower Services provided functional supervision and program direction with at least one staff member in each local office. These staff members are assigned a combination of agriculture and non-agricultural contacts to conform with the present rural programs. Increased attention will be given to the rural areas during the 1979 calendar year. As in the past the agency continues to be a Division of the State Department of Labor and Industry.

B. State and local Rural Manpower personnel attended agricultural meetings involving crop, livestock and row crop growers during the year to keep abreast of agricultural developments, determine labor requirements, and offer worker recruitment assistance.

The local office Rural Manpower representatives were encouraged to meet with agricultural and related agencies and representatives such as, County Extension Agents, Soil Conservation Service, Agricultural Stabilization Committee, Farmers Home Administration and Rural Area Development Committees.

C. Statistical and on-site local office evaluations were made throughout the year to assure full emphasis was maintained toward equal services to the rural sector. Staff training was provided on a local and state level in services to migrants and seasonal farm workers, and other areas of Rural Manpower services by local office and State Administrative staff. The cooperation and efforts of the local office personnel became clearly evident as Montana maintained its high level of compliance with the Judge Richey Court order.

ECONOMIC DEVELOPMENTS

Several recent economic developments have certainly impacted the rural nature of the state. Energy related projects have probably had the greatest effect, as coal, gas, and oil extraction and related industries have grown rapidly in the 1970's. Other impacts have been felt from metal mining projects and even recreational pursuits. Population impacts of some projects have been large but the state has avoided, so far, the "boomtown" economies that have sprung up in some states as energy development occurs.

A. Impact of Rural Industrialization and Related Developments

1. Energy demands appear to be causing most of the rural industrialization in Montana. The strip mining of coal and the related construction of power plants is being felt in Southeastern Montana. Colstrip units 1 and 2 are in operation and the construction of units 3 and 4 is underway, but

has been superseded by court action. Rosebud County, where the units are located, shows a 74.1% increase in population since 1970 according to recent estimates. A major development may also be in line for the Circle area of Northeastern Montana, where a railroad has recently formed a resource firm to develop the lignite reserves.

2. The problems created by development of these immense coal reserves in a rural area are varied and complicated. The way of life is rapidly changing for the ranchers whose land overlaps the coal seams. Water which is precious to agriculture is also needed by the growing industries. The proposal for coal slurry pipelines places even more value on the limited water resources. Recreational interests are also forwarding a claim to the waters. Air quality has become important, as shown by the court ordered shutdown of Colstrip 3 and 4 by the E.P.A.
3. The impending bankruptcy of a transcontinental railroad has definite implications for the agricultural sector. The line is the sole means for transporting crops for a portion of the state, mostly central Montana. Increased transportation expenses could certainly force some marginal operations out of agriculture.
4. The extreme fluctuations of the prices of the various commodities in agriculture is also having an effect. Sugar beets, wheat, and cattle prices are limiting profits in the agricultural sector. Government policies are involved in almost all of these commodity price situations.
5. Land values are also having an effect on rural and agricultural interests. Subdivisions are springing up on what was formerly farm and ranch land, in fact such developments are probably responsible for the rural population growth in some Western Montana counties. The value of the land has also attracted foreign investors, as has agricultural land throughout the country.
6. The rural unemployment rates are low, but the labor force also continues to shrink as more labor is replaced by machinery. Skilled jobs, are however, on the increase as former occupations demand some knowledge of the forementioned machines and their repair. Migrant activity continues throughout the state, but is confined to harvest activities in the fruit, wheat, and sugar beet producing areas. Some field work is also available earlier in the season for migrants. The migrant groups include the Texas-Mexicans for the sugar beets, the California-Northwest group for the cherry harvest, and the Great Plains group for the custom combines.

B. Impact of Agricultural Mechanization, Changing Production Techniques, and Other Shifting Agricultural Trends.

Mechanization in the agriculture industry remained stable during the 1978 calendar year, which in part, was due to the reduced yields and low market prices experienced by farmers during the 1977 calendar year which had adverse effect on their purchasing capabilities. Future mechanization will be related to the availability of reliable skilled workers and production costs.

EMPLOYMENT AND UNEMPLOYMENT TRENDS

A. Rural Non-Agricultural Trends

In the past some counties have had a history of sub-standard wages, which caused a shifting of applicants to urban areas. However, the movement of workers from rural to urban areas of the Highline and Eastern parts of Montana stabilized in 1978 and in some cases actually reversed itself, causing a growth in some rural communities. This was caused by the development of Bentonite strip mines and processing plants and increased activity in the development of natural resources such as oil, natural gas and coal. Manufacturing in rural areas remains insignificant.

B. Unemployment Trends

Unemployment moved downward during 1978 in the rural areas of the state, but also continued its highly seasonal patterns. These normal fluctuations are due to the effect of weather conditions on the main rural industries such as agriculture, timber harvesting, and recreation.

The civilian labor force and employment levels reached their peak in August in almost all rural areas, accompanied by low rates of unemployment. Due to the fact that migrants and seasonal workers make up a large portion of the peak agricultural employment, the unemployment rate does not rise when the harvest ends, but instead the labor force declines rapidly as the workers move on to other areas. For this reason, the rural counties of Eastern and Northern Montana show low annual average rates of unemployment.

In contrast the annual unemployment rates for some rural counties in Western Montana are exceedingly high. The individuals working in the timber and recreational industries do not migrate when they become unemployed but instead stay in the area and continue to seek jobs.

C. Farm Employment Trends

Overall farm employment was comparable to the previous year, except during the small grain harvest season when the immigration of harvest workers exceeded the previous year in order to participate in harvesting Montana's bumper crops.

1. As to major characteristics of seasonal workers, all ages above 16 are employed. The elderly are utilized well in agriculture on general farm and ranch work. Age, sex and race play no important part in Montana's agricultural employment. Women workers have increased on both farms and ranches as tractor operators, general farm workers and sheepherders. They are also frequently employed as truck drivers during small grain and sugar beet harvests.
2. Major activities are field corn, cherries, grain, hay, livestock, potatoes and sugar beets. Less than 1,000 Texas-Mexicans in crews or family groups weed and thin Montana's sugar beets, which for the most part, are located in the Yellowstone Valley. Weedicides, mechanical thinners and weeders will continue to reduce hand labor needs each year. Only two of the previous five sugar beet companies now process sugar beets in the state, which has resulted in a very substantial reduction of sugar beet acreages

and reduced the demand for migrant workers. One thousand, two hundred (1,200) cherry pickers take care of the cherry harvest. This is still hand picking except for the sour cherries which are harvested by mechanical shakers. The sweet cherry harvest in the Flathead Valley has become an important link in some of the migrant fruit workers itineraries who follow the fruit harvests in the states west of Montana.

Wheat and other small grains are harvested mostly by custom combines and crews migrating into the state following the harvests from Texas to Canada. A substantial amount of the general farm and ranch work is taken care of by individuals entering the state each year for seasonal employment. Local students have become an important source of labor to fill vacancies during their summer vacation periods. In at least one local labor market area a cooperative effort between the school, county agent and farm machinery dealers has resulted in a course to train students in the operation of farm equipment.

3. Shortages of farm ranch hands exists from March to September each year. The immigration of workers and the use of students during the summer months relieves the shortage to some extent, but does not satisfy all of the employers needs. Well qualified dependable workers experience little difficulty obtaining employment at any time during the year. Weather conditions, wages, and the lack of fringe benefits has been the cause for many workers to seek non-ag occupations. Many applicants are reluctant to accept jobs which will not afford them reasonable prospects for permanent year-round employment.
4. With increased mechanization farm families do much of the agricultural work which had previously necessitated hired hands. Consolidation of farms and ranches coupled with sub-dividing for non-agricultural purposes continues to have its effect on the number of farms and ranches located within the state.

Services for Rural People

- A. All services provided urban applicants and employers are attempted with rural applicants through Volunteer Rural Representatives. Due to a lack of budget we are unable to provide personnel and mobility to rural areas to the extent we would like to have it.

All rural job seekers have access to counseling, testing, placement, referral to training and manpower programs. Supportive services or referral to agencies providing needed services and follow-up at the local office site. Outreach programs are operating periodically by personal contact, phone, or letter through Rural Placement Representatives in each local office.

(Figure provided in Part II)

- B. Special services are provided to veterans, youth, the disadvantaged, Indians and older workers by specialists assigned to the above groups in each local office.
- C. Our Minority Worker Specialists work with all seven Indian Reservations. Our all Indian Job Corps Center has trained and is training numerous Indian trainees.

- D. Outreach activities in all programs is the main emphasis in Montana. Itinerant services are used when helpful.
- E. We continue to work closely with the Montana Migrant Council, Indian Training Programs, and the Monitor Advocate and his program.
- F. The Rural Placement Representatives in the local offices make regular public relations visits to agencies, schools, ag and non-ag employers on job development as well as making promotional calls and sending out promotional letters. These include employers who have not used the agency.
- G. Rural job information is disseminated to rural areas by a Farm and Rural Manpower Bulletin to each volunteer who posts such information in his establishment. Each volunteer has free telephone service to the local office for access to any information and job service under the guidance of the local office. All local offices having access to radio or TV stations broadcast job opportunities periodically.
- H. People planning to move out of rural counties have access to information in other areas by contacting their volunteer in the community or through their local office. Interviewers will supply rural persons with possible job opportunity information in other areas.

Rural Manpower Programs and Activities for Farm Workers

- A. All Media of Advertising is used by local offices to disseminate job opportunity information to job seekers. Volunteer Rural Representatives act as information offices in this regard.

We have very little problem with displaced farm workers. We have no problem with cooperative efforts with public and private organizations in promoting farm workers' employability and to improve manpower services. The relationship is non-antagonistic in most instances. Volunteers are used in all feasible areas, however, due to the fact there is not remuneration, other than community service, all volunteers do not function as they should. We use posters at times, letters at times, bulletins, radio, TV, etc. for recruitment purposes. We could improve our services if we could get funds for additional personnel, travel, mobile units or itinerant services. If the small offices we once had in rural areas could be reactivated, it would be of assistance to those areas which are difficult to serve under the present circumstances.
- B. Up until the last several years we participated in the annual worker plan but since we no longer recruit beet workers for the growers or sugar companies, the annual worker plan is not applicable to Montana. The growers do their own recruiting, thus avoiding the housing inspections we conducted prior to the change. Since our cherry growers do not have housing, no interstate recruitment is requested.
- C. We received job openings through Interstate Clearance. We had one housing inspection and received two orders for three openings which extended to seven other states.

- D. Since we do no recruiting of migrants most of this section is not applicable to Montana. We do offer all upgrading services to migrant workers that we do to others when they contact our local offices. Our Monitor Advocate checks out local office areas for complaints. One hundred twenty-five were received during 1978, all of which were resolved or referred to the proper source for settlement.
- E. We had no farm management or foreman training programs during 1978, nor are any such training programs anticipated during 1979.

Rural Manpower Service Participation in Community Development Activities

The Montana Agency participates with farm and rural organizations and has good relationships with labor organizations, civic groups, and clubs. The media of news articles, radio and TV are used frequently. The local offices carry out a public relations program in their areas.

Evaluation, Problems, Plans and Recommendations

A. Evaluation

Part II contains a statistical report on results of past three years.

We feel the agency efforts have been successful with the limited budget with which we are working.

B. Problems

The main problem with rural manpower in Montana is distances. One can travel over 700 miles from corner to corner of the State and with only 700,000 people in the State, it takes money to serve the rural areas. Since budget is allowed on a population basis, we are limited in how much we can serve remote areas.

C. Plans

We plan to carry on very much the same in 1979 as we did in 1978. We feel our program is as full as we can get it under the financial situation.

D. Recommendations

We would recommend the rural manpower budget be allotted on an area basis as well as a population basis.

PART II

ATTACHMENTS TO REPORT

EMPLOYMENT SECURITY MANUAL

MTL 1295

Part III

Reports and Analysis

5240

5200-5399

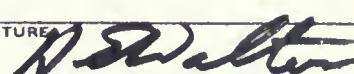
Annual Rural Manpower Report, MA 5-79

R-10/30/73

5240

Form MA 5-79A. Annual Rural Manpower Report --
Selected Data on Farm Placement Operations

A. Facsimile of the form

RCS-OMAS-209		STATE MONTANA
U.S. DEPARTMENT OF LABOR • Manpower Administration		
ANNUAL RURAL MANPOWER REPORT		NUMBER
SELECTED DATA ON FARM PLACEMENT OPERATIONS		
SECTION A. DAY-HAUL ACTIVITIES AT POINTS OPERATED BY STATE AGENCY		None
1. Towns with day-haul points		
2. Number of day-haul points		
3. Sum of days day-haul points operated during year		
4. Total number of workers transported during year		
SECTION B: SELECTED SERVICES TO SCHOOL-AGE WORKERS (under 22 years)		None
5. Supervised camps operated for school-age farm workers		
a. Placements in camps		
6. Placements of school-age workers in supervised live-in farm homes		None
SECTION C. SERVICES TO INDIANS LIVING ON RESERVATIONS		179
7. Rendered by on-reservation local offices or at itinerant points		
a. Farm placements		
b. Applicant-holding acceptances		
8. Other farm placements of reservation Indians		0
SECTION D. OTHER SELECTED DATA		240
9. Number of local offices which held farm clinics		None
10. Sum of days on which farm clinics were held		None
11. Total number of local offices participating in formal community service programs		None
12. Peak number of volunteer farm placement representatives		122
SIGNATURE: 		TITLE: Deputy Administrator for Employment Services
Replaces ES-226 Table I which is obsolete		MA 5-79A Oct. 1978

EMPLOYMENT SECURITY MANUAL

MTL 1295

Part III Reports and Analysis 5241
5200-5399 Annual Rural Manpower Report, MA 5-79 R-10/30/73

5241 Form MA 5-79A Worksheet. Day-Haul Activities at Points Operated by State Agency

A. Facsimile of the worksheet

U.S. DEPARTMENT OF LABOR • Manpower Administration		STATE MONTANA	
DAY-HAUL ACTIVITIES AT POINTS OPERATED BY STATE AGENCY		CALENDAR YEAR REPORTED 1978	
TOWN	DAY-HAUL POINTS		
	NUMBER	DAYS OPERATED DURING YEAR	WORKERS TRANSPORTED DURING YEAR
I	II	III	IV
NOT APPLICABLE TO MONTANA			
SIGNATURE		TITLE Deputy Administrator for Employment Services	

Replaces ES 225 Worksheet A which is obselete.

TITLE Deputy Administrator
for Employment Services

MA 5-79A Worksheet
Oct. 1973

EMPLOYMENT SECURITY MANUAL

MTL 1295

Part III

Reports and Analysis

5249

5200-5399

Annual Rural Manpower Report, MA 5-79

R-10/30/73

5249 Form MA 5-79C. Annual Rural Manpower Report -- Interstate Seasonal Agricultural Clearance Activities

A. Facsimile of the form

NCS OMAS-211

U.S. DEPARTMENT OF LABOR • Manpower Administration		STATE		MONTANA
		CALENDAR YEAR REPORTED		
ANNUAL RURAL MANPOWER REPORT		1978		
INTERSTATE SEASONAL AGRICULTURAL CLEARANCE ACTIVITIES				
ITEM	ORDERS		OPENINGS	
	EXTENDED (Section A) RECEIVED (Section B)	FILLED	EXTENDED (Section A) RECEIVED (Section B)	FILLED
I	II	III	IV	V
SECTION A. REPORTING STATE AS ORDER-HOLDING STATE				
1. Reporting State, TOTAL →	7	0	3	0
2. Applicant-holding States involved:				
Ranch Hand Sheep	7	0	3	0
413,887 Arizona				
Utah, N & S. Dakota				
Wyoming, Colorado				
and Idaho				
SECTION B. REPORTING STATE AS APPLICANT-HOLDING STATE				
3. Reporting State, TOTAL →	9	1	87	6
4. Order-holding States involved:				
Wyoming	3	1	3	1
Nevada	1	0	1	0
Utah	1	0	1	0
Arizona	2	0	80	5
Colorado	1	0	1	0
Idaho	1	0	1	0
SECTION C. COMMENTS (Use reverse if needed)				
SIGNATURE		TITLE Deputy Administrator for Employment Services		
<i>W. D. Altman</i>				
Replaces ES-225 Table 3 which is obsolete		MA 5-79C Oct. 1973		

EMPLOYMENT SECURITY MANUAL

MTL 1295

Part III

Reports and Analysis

5248

5200-5399

Annual Rural Manpower Report, MA 5-79

R-10/30/73

5248

Form MA 5-79B. Annual Rural Manpower Report -- Composition of
Interstate Farm Migrant Groups

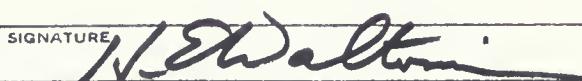
A. Facsimile of the form

RCS-OMAS-210

U.S. DEPARTMENT OF LABOR • Manpower Administration ANNUAL RURAL MANPOWER REPORT COMPOSITION OF INTERSTATE FARM MIGRANT GROUPS					STATE MONTANA	
					CALENDAR YEAR REPORTED 1978	
SECTION A. MIGRANT GROUP CONTACTS			SECTION B. REPORTING STATE'S RESIDENTS		SECTION C. GROUPS WORKING IN REPORTING STATE	
TYPE	BY REPORTING STATE	WITH REPORTING STATE'S RESIDENTS	TYPE	NUMBER	TYPE	NUMBER
I. Total			2. Total persons		4. Families	
a. Crew leaders			3. Total workers		5. Unattached males	
b. Family heads					6. Unattached females	
c. Other						
SECTION D. COMMENTS						

NOT APPLICABLE TO MONTANA

SIGNATURE



Replaces ES-225 Table 2 which is obsolete.

TITLE Deputy Administrator
for Employment ServicesMA 5-79B
Oct. 1973

	NEW RURAL APPLICATIONS		TOTAL RURAL APPLICANTS PLACED		RURAL NON-AG PLACEMENTS	
	1978	1977	1978	1977	1978	1977
* 1. Kalispell	6109	6044	4381	3468	3454	2147
2. Hamilton	2593	2078	1516	892	1348	765
* 3. Billings	2580	2916	1594	1271	1509	1205
4. Polson	2319	2488	2104	1771	1790	1392
5. Anaconda	2310	2220	996	744	956	708
6. Miles City	2065	1915	1507	1097	1294	915
* 7. Bozeman	2041	1745	1140	952	1066	888
* 8. Missoula	1797	1680	911	620	862	573
9. Livingston	1777	1485	1228	991	1153	920
10. Libby	1746	2324	749	554	746	553
*11. Great Falls	1689	1573	1052	632	824	464
12. Lewistown	1672	1389	1285	771	1021	636
13. Sidney	1582	1368	1023	751	935	615
14. Cut Bank	1529	1197	920	740	773	580
15. Glendive	1516	1234	1223	866	1189	816
*16. Helena	1402	1385	903	656	835	598
17. Glasgow	1211	1402	1128	739	988	647
*18. Havre	1095	863	618	327	576	295
19. Wolf Point	1081	928	581	304	543	293
20. Shelby	1026	1006	1037	760	938	689
21. Dillon	941	801	672	405	462	258
22. Thompson Falls	886	1041	388	282	326	249
23. Billings West	760	--	218	--	218	--
*24. Butte	482	529	229	140	205	118
TOTALS	42,243	39,611	27,429	19,733	24,037	16,324

* Local Offices located in designated Urban Areas

		RURAL TESTING		RURAL JOB DEVELOPMENT CONTACTS		RURAL TRAINING ENROLLMENT	
				1978	1977	1978	1977
		1978	1977				
1.	Anaconda	210	211	727	370	39	88
* 2.	Billings	626	645	221	125	114	188
* 3.	Bozeman	320	255	109	140	12	24
* 4.	Butte	207	181	235	179	61	52
5.	Cut Bank	171	45	284	296	61	53
6.	Dillon	20	14	90	78	2	5
7.	Glasgow	206	168	36	30	157	171
8.	Glendive	220	137	60	115	21	58
* 9.	Great Falls	299	340	781	366	66	79
10.	Hamilton	130	108	22	12	40	81
*11.	Havre	246	161	101	145	12	26
*12.	Helena	317	331	352	433	37	97
*13.	Kalispell	813	940	998	1346	119	226
14.	Lewistown	76	112	89	60	24	27
15.	Libby	96	101	116	195	159	108
16.	Livingston	150	111	102	3	16	29
17.	Miles City	265	214	301	295	15	80
*18.	Missoula	247	264	191	221	16	67
19.	Polson	222	196	222	151	58	44
20.	Shelby	115	84	176	123	23	40
21.	Sidney	206	214	291	220	15	51
22.	Thompson Falls	55	44	34	38	5	4
23.	Wolf Point	65	36	55	34	42	41
24.	Billings West	112		75			
	TOTALS	5,405	4,912	5,668	4,975	1,160	1,639

RURAL COUNSELING INTERVIEWS

	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
* 1. Kalispell	2190	3626	2846	2365
* 2. Billings	1901	2241	2088	2605
* 3. Butte	1310	1569	1400	772
* 4. Missoula	945	1786	1372	1253
5. Anaconda	700	615	692	54
* 6. Great Falls	568	870	882	1081
* 7. Bozeman	508	639	454	228
8. Miles City	506	414	291	363
9. Lewistown	481	389	214	350
10. Polson	449	529	339	305
11. Sidney	364	471	318	348
12. Cut Bank	344	321	299	120
*13. Helena	319	368	834	537
14. Glasgow	281	406	255	226
15. Hamilton	259	217	89	53
16. Glendive	256	247	198	201
*17. Havre	256	341	194	210
18. Libby	225	266	61	260
19. Shelby	190	194	198	89
20. Wolf Point	128	90	92	88
21. Livingston	115	158	130	208
22. Billings West	81	--	--	--
23. Dillon	62	44	62	46
24. Thompson Falls	<u>42</u>	<u>73</u>	<u>45</u>	<u>11</u>
TOTAL	12,634	15,874	13,353	11,773

TOTAL FARM AND RANCH PLACEMENTS

	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
* 1. Kalispell <u>1/</u>	1068	1962	1433	823
* 2. Great Falls	980	1004	1110	1175
* 3. Billings	497	452	453	820
4. Polson	331	473	432	262
5. Lewistown	300	171	174	244
* 6. Missoula	298	283	255	351
* 7. Helena	283	341	280	239
8. Dillon	249	208	236	316
9. Miles City	231	297	226	221
10. Cut Bank	212	182	116	125
*11. Bozeman	200	231	228	248
12. Hamilton	191	143	91	112
13. Glasgow	156	114	99	121
*14. Havre	146	152	142	235
15. Shelby	146	87	201	86
*16. Butte	114	116	207	245
17. Livingston	102	99	74	222
18. Sidney	97	152	211	99
19. Anaconda	69	45	33	7
20. Thompson Falls	65	33	13	46
21. Wolf Point	51	16	37	53
22. Glendive	38	52	62	71
23. Billings West	15	--	--	--
24. Libby	<u>3</u>	<u>1</u>	<u>10</u>	<u>8</u>
TOTALS	5,842	6,614	6,123	6,132

1/ Reduction of placements between 1977 and 1978 attributed to the short cherry harvest.

FARM AND RANCH VISIT

	<u>1978</u>	<u>1977</u>	<u>1976</u>	<u>1975</u>
* 1. Great Falls	769	1018	877	811
* 2. Kalispell	257	357	446	200
3. Miles City	205	210	147	124
4. Livingston	239	231	142	326
* 5. Missoula	192	336	302	255
6. Lewistown	169	107	154	244
* 7. Butte	141	197	346	354
* 8. Havre	125	58	32	60
9. Shelby	101	148	85	19
*10. Helena	101	14	26	6
11. Cut Bank	60	90	141	124
*12. Bozeman	50	301	304	187
13. Glasgow	49	75	59	73
14. Polson	48	81	75	64
15. Anaconda	36	23	40	3
16. Glendive	25	62	107	89
17. Dillon	21	34	92	63
18. Sidney	18	40	64	70
19. Libby	17	1	19	7
20. Wolf Point	12	10	2	7
*21. Billings	5	90	44	148
22. Thompson Falls	2	2	1	5
23. Hamilton	0	44	5	2

	<u>Rural Non-Ag Employer Visits</u>	<u>Rural Promotional Telephone Calls</u>	<u>Rural Non-White Ag & Non-Ag Placement</u>
	<u>1978</u>	<u>1978</u>	<u>1978</u>
Anaconda	2021	1487	90
*Billings East	4131	334	350
*Billings West	1694	259	8
*Bozeman	1117	456	32
*Butte	5273	722	18
Cut Bank	618	971	313
Dillon	359	191	34
Glasgow	589	235	127
Glendive	1044	1216	32
*Great Falls	8047	5689	156
*Hamilton	284	108	33
*Havre	1165	1016	347
*Helena	2384	2119	43
*Kalispell	2112	1561	431
Lewistown	947	397	24
Libby	697	671	9
Livingston	619	173	29
Miles City	754	544	64
*Missoula	3324	1235	86
Polson	772	447	598
Shelby	753	571	66
Sidney	652	248	85
Thompson Falls	179	111	11
Wolf Point	<u>661</u>	<u>127</u>	<u>296</u>
TOTAL	40,196	20,888	3,282



State of Montana
Dept. of Labor & Industry

Employment
Security
Division

1018 Seventh Street South
Great Falls, Montana

Dear Sir:

Now that the harvest season is nearing completion, it is time to consider your needs for tractor operators for Fall seeding and workers for general Fall work.

If the weather continues cool and wet, it is possible there will be a heavy demand for workers to complete the Spring grain harvest and do Fall seeding at the same time.

As usual, when the main harvest season ends, a large volume of migrant workers leave the area, which results in a shortage of help for Fall seeding. Keep us in mind if you are considering hiring extra help, and let us know in advance so suitable workers can be lined up for the time they are needed.

If you are in need of workers to seed, summer fallow, or jump seeders, please contact Ross Floyd, Mike Shoquist, or Floyd Harsh at your Job Service Office of the Montana State Employment Service located at 1018 7th Street South, or phone 761-1730.

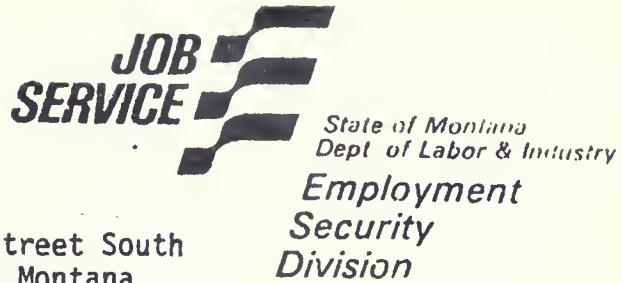
Sincerely,

Bill Cady

Bill Cady, Manager
Great Falls Local Office

RF/cc

SAMPLE COPY OF AN AG
PROMOTIONAL LETTER USED
BY THE GREAT FALLS LOCAL
OFFICE



1018 Seventh Street South
Great Falls, Montana

Dear Sir:

Now that Winter is nearing an end, and another crop season is fast approaching, it is time to make plans to hire additional help to get your Spring work done.

We have local workers available and will have many migrant workers coming in as Spring approaches. The Spring season is a time when farm operators utilize more workers than at any other time, except during harvest.

Even though we have the largest concentration of workers in the area, it is a good idea to place your order early to get adequate help to operate your four-wheel drive and crawler tractors and other equipment. Place your order now by contacting Dale DeVault, Ross Floyd, or Mike Shoquist at your Job Service Center, located at 1018 7th Street, South, or phone 761-1730.

Sincerely,

Bill Cady, Manager
Great Falls Local Office



**Employment
Security
Division**

416 1st Street
Havre, Montana
Phone: 265-4366

P.O. Box 1728 • Helena, Montana 59601
Phone: (406) 449-2511

Dear Sir:

With spring and warmer weather just around the corner, we hope, you sheep raisers will be planning your work for early spring shearing and lambing operations.

We have been in contact with our local shearing crews, Briere and Paronto, and they are in the process of getting ready for spring tagging and shearing. Last year these shearing crews ran into some difficulty in lining up their shearing and tagging by areas. When this happens a great loss of time and traveling is involved.

This year we are offering our assistance to help remedy this situation by contacting all wool growers in the area by letter to obtain information in regards to when you want your shearing done. We can then assist in getting you the shearers when you want them and when they are in your area.

Below are some questions we would appreciate your answering and returning to us in the enclosed self-addressed envelope, so we can have a record of needs of the wool growers in our area, or you can call our office at 265-4366 in Havre.

1. How many sheep do you have to be sheared or tagged?
2. When will you be ready to shear or tag?
3. Who did your shearing last year?
4. Will you need men for lambing? How many? When?

Sincerely,

Manager,
Havre Local Office



**Employment
Security
Division**

416 First Street
Havre, Montana
Phone: 265-4366

P.O. Box 1728 • Helena, Montana 59601
Phone: (406) 449-2511

Dear Sir:

The Holiday Season is at hand! Christmas merchandise is now being displayed in most of the stores and final preparations are being made for the "Big Rush" which will inevitably come.

One of the most important factors in the success of any business during the Christmas season, and to continued patronage during the remainder of the year, is the quality of sales force. Each salesperson must possess the ability to promote sales and represent you in a manner which will create a favorable lasting impression.

We are aware that there are persons contacting you each day for employment during the Holiday Season. However, we believe it would be impossible for any employer to fully interview and screen each applicant. That is where we can be of great help to you.

Your Employment Service has the largest supply of available, qualified help in the area. Each applicant is carefully screened or tested to assure that they meet your specific requirements before being referred for your consideration, enabling you to select your help from the best qualified applicants.

We are here to serve you. There is no charge to you or the job-seeker for services rendered. Why not take advantage of your Employment Service facilities and save valuable time?

Sincerely,

Manager,
Havre Local Office

THE FOLLOWING ARTICLE
WHICH WAS PUBLISHED IN
"ECONOMIC CONDITIONS IN MONTANA"
A REPORT TO THE GOVERNOR, DECEMBER, 1978
RELEASED BY
THE MONTANA DEPARTMENT OF COMMUNITY AFFAIRS
RESEARCH AND INFORMATION SYSTEMS DIVISION
AND IS INCLUDED FOR ADDITIONAL INFORMATION

AGRICULTURE

by

Richard J. McConnen*

Professor and Head

Department of Agricultural Economics and Economics

Montana State University

Bozeman, Montana

The Economics of Montana Agriculture

The Montana Territory was urban before it became agricultural. At least Montana was urban if you consider mining camps to be urban. The initial development of Montana agriculture was in response to the high prices paid for food in mining camps and military installations. Those high prices existed because of the high cost of transporting food into Montana. As soon as transportation began to cost less and less, Montana's farmers and ranchers began to market their products more and more in non-Montana or "export" markets. That trend has continued and to understand contemporary Montana agriculture, it is necessary to understand the international markets for Montana grains, the U.S. market for Montana beef and other livestock products, and the U.S. market for specialty crops that run from cherries to sugar beets. Federal agricultural price and income policies also have had a significant direct and indirect impact on Montana agriculture for most of the past 45 years. Finally, Montana agriculture could not exist in its present form without Montana's agribusiness sector which provides the increasingly important purchased inputs which cover the gamut from agricultural credit to veterinary services and which furnishes the marketing services of such a diverse nature as country elevators and forward contracting for cattle. Obviously, the reverse also holds and Montana agribusiness could not exist without production agriculture.

Montana's agriculture is the result of a complex interaction of social, biological, economic, and political systems. No short description can tell the complete story. Most people who read this report will already have a considerable understanding of Montana agriculture. Only limited statistical information will be presented here. A great wealth of detailed statistical information about Montana agriculture is available in *Montana Agricultural Statistics* and related Montana Department of Agriculture and Statistical Reporting Service (USDA) publications. All of the many different agricultural

products are economically important to Montana and are certainly important to the individuals who produce those many products. However, rather than try to deal with all the complexities, with all of the information about many important products, in a publication meant for people who generally are fairly well informed about Montana agriculture, the rest of this section will only deal with an overview of Montana agriculture and specific references will be made to only a few major agricultural products.

During the fifteen years from 1951 until 1965, total cash receipts of Montana agriculture were between \$375 and \$472 million. During that period of time, there was considerable year to year variation in cash receipts, and the only easily recognizable economic growth was in the form of government payments. Montana's agriculture did not perform well in economic terms and, during this period of time, Montana agriculture earned and deserved the reputation of being an economically stagnant industry.

During the latter part of the 1960s things started to change. The world not only continued to need more food, but also was more able to pay for it. From 1966 until 1972, government payments continued to increase, but so did cash receipts from marketings. By 1972, cash receipts from marketing Montana agricultural products reached \$825 million, about twice the level experienced between 1961 and 1965. The "Russian Grain Deal," along with many other developments, helped Montana agriculture achieve total cash receipts in excess of \$1 billion for the first time in 1973.

Because of agriculture's reputation as an economically stagnant industry, the economic growth in Montana's agricultural sector during the late 1960s and early 1970s was often overlooked. Not only had prices increased but grain yields and production had also begun to increase to new levels. Live beef production was over

*The author wishes to thank Gay Holliday and Harvey Bryan for their cooperation in the development of this report.

40 percent above the levels of the 1950s. Proprietors' income from agricultural production reached a new high in 1973 and then decreased, but still stayed at levels far above earlier levels until 1977. The 60 percent drop in proprietors' income of Montana's agricultural producers between 1976 and 1977 must be recognized as among the most serious income collapses which Montana agriculture has ever experienced. Fortunately, 1978 promises to be a much better year. Despite the ups and downs, the last ten years can best be characterized as years of economic growth for Montana agriculture. Its old reputation as an economically stagnant industry has clearly become inappropriate. While many producers face cash flow problems from time to time, Montana agriculture is not only Montana's largest basic (out-of-state export) industry, it has become one of the State's most vigorous economic sectors.

Montana historically has experienced a decrease in the number of people employed in agricultural production. Modern agriculture, including Montana's agriculture, has developed as the result of substituting capital and purchased inputs for agricultural labor. Some people disapprove of these changes, but it is unlikely that this trend will be reversed. However, agricultural production is still an important source of jobs in Montana. Over 10 percent of the total employment in Montana is still to be found in agricultural production. Over 40 percent of the employment in Montana's basic industries is in agricultural production. Because the substitution of capital and purchased inputs will probably continue, exclusive use of agricultural employment to monitor the economic performance of agriculture is unwise.

Income is another useful variable for gauging the economic performance of an industry. It is helpful to evaluate a sector income statistic (like agricultural income) not only in terms of its level, but also in terms of the effect of the sector's income on other industries in specific localities. This is particularly important in the case of Montana agricultural income. While few areas of Montana's economy are immune from the impacts of a change in agricultural income, the effect can be seen most clearly when you observe what goes on in towns such as Plentywood, Lewistown, and Dillon. The impacts also occur in cities which have a more diverse economic base, such as Billings, Great Falls, and Helena, but these communities are more difficult to observe because of other unrelated, but often compensating, changes which take place in the local economy. All sectors of Montana's economy are important to the overall economy of the State. However, there is a temptation to either overlook or to downplay the economic role of Montana agriculture because of its previous reputation as a lackluster economic sector and because of the complex way it interacts with the rest of Montana's economy. Because of the economic potential which exists for agriculture, this could be a serious mistake.

The Economic Future of Montana Agriculture

Montana agriculture is tied to U.S. agriculture which, in turn, is tied to world agriculture. Since 1973, there have been numerous studies which sought to project the future of the world's food and fiber economy. They all projected different results, but these studies agree on at least three points. First, the world demand for food will increase because of increases in both population and incomes. Second, the world has the capacity to supply the grain needs. There is some disagreement about the existence of the capacity to produce the needed livestock products for the world. Third, food production increases will be largely concentrated in countries which already have a strong commercial agricultural sector while the greatest demand growth for grain will occur in some of the rapidly developing new nations of the world. There is general agreement that Montana agriculture is part of a world wide industry that's going to grow. The question is, "How much will it grow?"

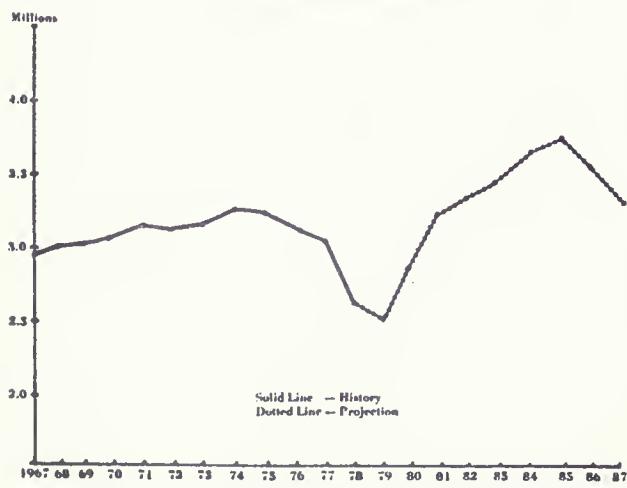
The answers developed for this report are largely based on the information from the Long-Term Agricultural Model developed by Chase Econometric Associates, Inc., a large private economic research organization. Chase Econometrics supplied this information to the State of Montana through the Old West Regional Commission. Before presenting the background material and more specific results, the reader should be reminded of at least three things. **First**, other studies come up with different specific results than those of Chase Econometrics, although the general results are largely in agreement. **Second**, the presentation of data about the future of Montana agriculture should not be interpreted in an overly precise manner. Production will vary from year to year because of weather. Prices will differ from projected prices because of market changes. Government policies here and abroad can change outcomes. Therefore, the projections should be used as indicators of general directions of change rather than as precise predictions about what will happen during a particular year. **Third**, and more importantly, the projections represent potentials for Montana agriculture, not guaranteed outcomes. These potentials for Montana agriculture can only be realized if Montana retains its competitive strength relative to agriculture in other regions of the United States. Agricultural regions and producers from all parts of the United States have many things on which they need to cooperate, but this cooperation should take place from a position of strength. If Montana's grain yields do not continue to increase, if efficiency doesn't continue to increase in the State's livestock industry, if no additional land can be irrigated, if Montana's marketing and transportation system doesn't improve, if adequate agricultural credit isn't available, and, most importantly, if the managerial capacity of Montana farmers and ranchers doesn't continue to grow, the relative

competitive strength of Montana's agriculture will decrease. If this occurs, Montana agriculture will fall short of realizing the potentials presented below.

The basic conclusions of the Chase Econometrics analysis are as follows. Real disposable income and real Gross National Product for the United States are expected to increase through 1987—the end of the projection period. Inflation is expected to slow to around 5.5-6.0 percent per year. The world economy will strengthen and world population will grow at a rate slightly under two percent per year. Foreign livestock numbers are expected to expand rapidly over the next five years. As a result, corn exports will increase nearly 60 percent to 2.35 billion bushels by 1986-87. Foreign consumption of food grains is expected to increase at the rate of 3 percent annually while foreign production will expand by only 2.8 percent. Because of this, U.S. wheat exports are expected to increase to 1.77 billion bushels by 1986-87. The cattle cycle, when coupled with increasing disposable income in the U.S., will mean an increase in cattle numbers and stronger cattle prices which may last as long as 1983. The cattle cycle generated by Chase Econometrics shows a continuation of the historic boom and bust pattern. If the U.S. cattle industry is successful in getting cattlemen to modify this cycle, the result will probably mean lower peak cattle numbers and an industry which is both more stable and more prosperous.

Figure 7

**MONTANA CATTLE NUMBERS
1967-1987
(1 January Basis)**



SOURCES: Montana Department of Agriculture, and U.S. Department of Agriculture, Montana Crop and Livestock Reporting Service, *Montana Agricultural Statistics, State Series, 1867-1976*, April 1978; Montana Department of Agriculture, and U.S. Department of Agriculture, Montana Crop and Livestock Reporting Service, *Montana Selected County Agricultural Statistics, 1976-1977*, February 1978. Projection derived.

If Montana maintains its competitive strength relative to the rest of the U.S. cattle industry, cattle numbers can be expected to follow the January 1 inventory path presented in Figure 7. If this growth is to be supported, productivity of rangeland will have to be increased, more irrigated pasture will need to be devel-

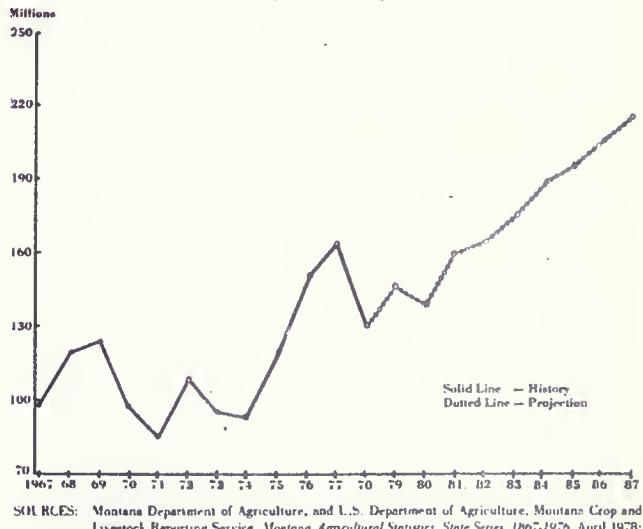
oped, more winter feed will be needed, herd management will have to be intensified, and more borrowed money capital will be used. If ranchers are to be provided with economic incentives to intensify production, a more efficient marketing system also will be needed.

Montana wheat production historically has varied considerably because of weather and government programs which restricted acreage. In the 1960s and early 1970s, the average Montana wheat crop was around 100 million bushels. Because expanded export markets will provide better marketing opportunities, and if Montana's share of the markets does not decrease, the normal level for Montana wheat production can be expected to be in excess of 200 million bushels by the 1986/87 crop year.

In order to achieve this potential wheat production level and other projected levels presented in Figure 8, several significant achievements will be required. Yield per acre will have to increase by nearly 25 percent, with at the same time more reliance on recropped land and newly broken land of lower productivity. While the agronomic challenges are substantial, the need for better management, additional agricultural credit, and an adequate transportation and marketing system must also be satisfied.

Figure 8

**MONTANA WHEAT PRODUCTION
1967-1987
(Bushels)**



SOURCES: Montana Department of Agriculture, and U.S. Department of Agriculture, Montana Crop and Livestock Reporting Service, *Montana Agricultural Statistics, State Series, 1867-1976*, April 1978; Montana Department of Agriculture, and U.S. Department of Agriculture, Montana Crop and Livestock Reporting Service, *Montana Selected County Agricultural Statistics, 1976-1977*, February 1978. Projection derived; all data adjusted to a marketing year basis.

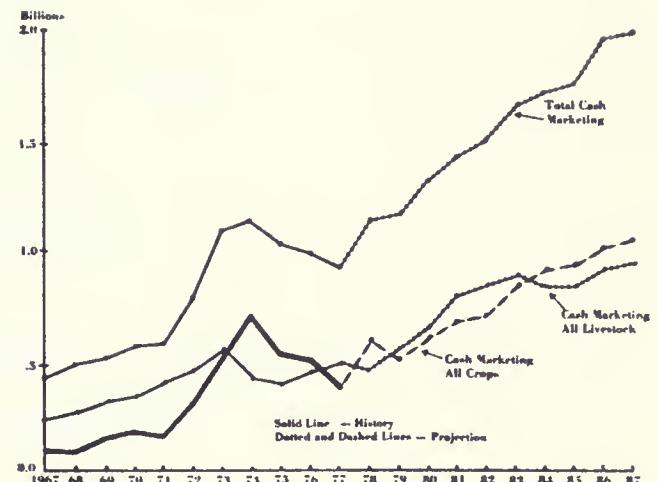
The long run outlook for the U.S. seed grain industry is very favorable. However, projected barley prices do not show a significant increase relative to wheat prices until the later part of the projection period. Even then, barley yields would have to be at least 30 percent higher than wheat yields before barley would be competitive with wheat in Montana. Of course, this situation could change dramatically if new uses are found for barley. The work on barley syrup sweeteners is a particularly promising alternative for Montana grain producers.

The potential economic outlook for Montana agriculture is summarized in brief form in Figure 9. The actual outcomes will show greater variation than the projections shown as dotted and dashed lines. Two things seem apparent from Figure 9. First, the potential economic performance involves no sharp break with the patterns of past performance. Second, the potential economic performance of Montana agriculture provides a basis for optimism about the overall performance of Montana's economy. This potential exists because of the economic conditions which are expected in the rest of the United States and the world. As stated earlier, the potential can be realized only if both the private and the public sectors take appropriate enabling actions. Likewise, this kind of economic development can be prevented from occurring if both the private and the public sectors take actions which either discourage or prevent the achievement of such a potential.

The real implications of such potentials are not achievements for abstractions such as Montana agriculture and Montana's economy. The meaningful implications must be thought of in terms of farm and ranch families who have a chance for a better life. The implications also must be thought of in terms of a more viable economic base which can provide more alternatives and better services for the people of Montana.

Figure 9

MONTANA AGRICULTURAL
MARKETING RECEIPTS
1967-1987
(Dollars)



SOURCES: Montana Department of Agriculture, and U.S. Department of Agriculture, Montana Crop and Livestock Reporting Service, *Montana Agricultural Statistics: State Series, 1897-1976*, April 1978; Montana Department of Agriculture, and U.S. Department of Agriculture, Montana Crop and Livestock Reporting Service, *Montana Agricultural Statistics, County Statistics, 1976-1977*, Vol. 17, December 1978. Projections derived.

MONTANA LABOR MARKET REVIEW

Published in December 1978
For Third Quarter 1978

STATE OF MONTANA
THOMAS L. JUDGE, GOVERNOR

DEPARTMENT OF LABOR AND INDUSTRY
DAVID E. FULLER, COMMISSIONER

EMPLOYMENT SECURITY DIVISION
FRED BARRETT, ADMINISTRATOR

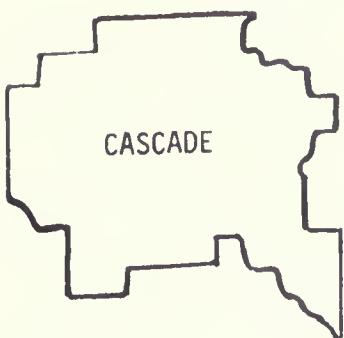
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in cooperation with
EMPLOYMENT AND TRAINING ADMINISTRATION,
U.S. DEPARTMENT OF LABOR

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SECTION III
LABOR MARKET INFORMATION
MONTANA'S SMSA'S*

* SMSA - Standard Metropolitan Statistical Area

GREAT FALLS SMSA (Cascade County)



Cascade County is Montana's second largest in population with an estimated 83,600 persons living there in 1976, a 2.2% increase since 1970. Great Falls is the major city in the county. The city of Great Falls is located in one of the primary wheat producing areas of the country and as such agriculture and related food processing industries are important to the SMSA's economy. Another large employer is the federal government through its air defense complex headquartered at Malmstrom Air Force Base. Primary metal processing is losing its importance as an area industry as reductions in production and employment occur due to competition from imports. Great Falls is also a center of trade, both wholesale and retail, for a large portion of the state.

Great Falls Labor Force

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	34.8	32.7	2.1	6.0%
July 1978	35.1	32.7	2.4	6.9%
August 1978	34.2	32.0	2.2	6.5%
September 1978	33.5	31.4	2.1	6.3%

Employment and Unemployment Situation:

The jobless rate for the Great Falls area continues to run high, much above the statewide rate. The third quarter is usually the best part of the year for employment but the statistics show little improvement in the area.

The civilian labor force and employment both dropped considerably during the period. The civilian labor force for September is at 33,500; a drop of 2,900 since June. Employment decreased by 2,100 during the same period to a September figure of 31,400. The labor force statistics do not indicate any good news for the area, with a shrinking labor force and a rising unemployment rate.

GREAT FALLS SMSA (Cascade County) (Cont.)

Great Falls Employment by Industry (In Thousands)

	<u>July</u>	<u>August</u>	<u>September</u>	<u>% change from September 1977</u>
Civilian Labor Force	35.1	34.2	33.5	-2.1%
Employment	32.7	32.0	31.4	-2.0%
Agriculture	1.7	1.9	1.4	-.1%
Unemployment	2.4	2.2	2.1	-.1%
Non-Farm Wage & Salary	30.1	29.9	29.6	-1.0%
Manufacturing	1.7	1.7	1.7	-.1%
Contract Construction	2.1	2.0	2.0	-.2%
Transportation, Public Utilities	1.9	1.9	1.9	.1%
Trade	10.4	10.2	10.2	0
Finance, Insurance, and Real Estate	1.9	1.9	1.9	0
Services & Mining	6.3	6.3	6.3	-.2%
Government	6.0	5.9	5.6	-.6%

New Business Firms

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
102	240	356	409

Economic Highlights and Employment Outlook:

New business formations for the SMSA are down dramatically from last year to tally 356 so far, with the third quarter formations at only 43% of last year's similar statistic. This seems to indicate some slowing of the growth especially in retail and service establishments. Building permits also show a decline adding to the slowdown in the area.

Agriculture, the mainstay of the area, had a generally good harvest season despite some severe but widely scattered hail losses. The wet weather noted early in the growing season resulted in excellent crops.

The air defense installation in North Central Montana plays a vital role in the area's economy. Reports released during the quarter stated the complex was responsible for 7,360 individuals employment, of which 1,916 are civilians. The missile upgrade project in progress was shutdown for mechanical corrections during the period but full

GREAT FALLS SMSA (Cascade County) (Cont.)

operations have resumed, with the project due for midwinter completion. A recent news release indicated that a large contract to upgrade missile transporter roads may be let soon.

RESIDENCE DATA

CURRENT POPULATION
SURVEY DATAGREAT FALLS SMSA (CASCADE COUNTY)
Civilian Labor Force
NOT SEASONALLY ADJUSTED
(in Thousands)

Date	Civilian Labor Force	EMPLOYMENT			UNEMPLOYMENT			Labor Manage- ment Dispute ^{2/}
		Total	Non-Ag	Agri.	Total	Percent ^{1/} County	State	
<u>1976</u>								
January	29.5	27.2	26.4	.8	2.3	7.9	7.9	*
February	29.7	27.5	26.6	.9	2.2	7.3	7.4	*
March	30.8	28.5	27.4	1.1	2.3	7.3	7.2	*
April	30.8	28.9	27.5	1.4	1.9	6.2	5.9	*
May	31.1	29.3	27.9	1.4	1.8	5.6	5.0	*
June	32.4	30.0	28.4	1.6	2.4	7.5	6.2	*
July	32.6	30.5	28.7	1.8	2.1	6.6	5.5	*
August	32.8	30.8	28.9	1.9	2.0	6.0	5.3	*
September	31.8	30.1	28.6	1.5	1.7	5.3	4.9	*
October	31.9	30.1	28.8	1.3	1.8	5.6	5.1	*
November	32.0	30.1	29.0	1.1	1.9	6.0	5.9	*
December	30.2	28.3	27.3	1.0	1.9	6.3	6.5	*
1976 Avg.	31.3	29.3	28.0	1.3	2.0	6.5	6.1	*
<u>1977</u>								
January	31.8	29.7	28.8	.9	2.1	6.6	7.9	*
February	32.9	30.9	29.9	1.0	2.0	6.1	7.9	*
March	33.5	31.3	30.1	1.2	2.2	6.5	7.7	*
April	34.5	32.6	31.1	1.5	1.9	5.4	6.7	*
May	34.7	32.8	31.3	1.5	1.9	5.5	6.1	*
June	36.0	33.9	32.2	1.7	2.1	5.9	6.3	*
July	35.8	33.8	32.0	1.8	2.0	5.6	6.0	.8
August	36.4	34.2	32.2	2.0	2.2	6.1	5.7	*
September	35.6	33.4	31.9	1.5	2.2	6.2	5.5	*
October	36.0	33.8	32.5	1.3	2.2	6.1	5.4	.4
November	35.4	33.4	32.3	1.1	2.0	5.7	6.0	*
December	35.0	32.8	31.8	1.0	2.2	6.2	6.1	*
1977 Avg.	34.8	32.7	31.3	1.4	2.1	6.0	6.4	.1
<u>1978</u>								
January	35.3	32.6	31.7	.9	2.7	7.8	8.1	*
February	36.2	32.8	31.8	1.0	3.4	9.3	8.8	*
March	35.3	32.4	31.2	1.2	2.9	8.0	8.3	*
April	35.0	32.9	31.5	1.4	2.1	6.1	6.5	*
May	35.1	33.0	31.6	1.4	2.1	6.0	5.7	*
June	36.4	33.5	31.9	1.6	2.9	7.9	6.6	*
July	35.1	32.7	31.0	1.7	2.4	6.9	5.9	*
August	34.2	32.0	30.1	1.9	2.2	6.5	5.2	*
September	33.5	31.4	30.0	1.4	2.1	6.3	4.7	*
October	32.8	30.8	29.6	1.2	2.0	6.1	4.6	*
November								
December								
Avg.								

^{1/} Computed from whole (unrounded) numbers.

Series began January 1970.

^{2/} Non-additive - included in total employment.

Revised to 1977 Benchmarks.

* Under 50.

Current month in italics is a forecast; previous month preliminary.

BILLINGS SMSA (Yellowstone County)



The Billings Standard Metropolitan Statistical Area is composed of the geographic area of Yellowstone County. The county had a population of 87,367 in 1970 and estimates place 1976 population at 99,600 for a 14% increase. Billings is the major city in the county accounting for most of the population. The city is rapidly becoming a major regional center for business in Montana, Wyoming, and portions of the Dakotas. Wholesale and retail trade account for a large portion of the industry, but the diversified economy also includes sizable service, government, transportation, and manufacturing segments.

Billings Labor Force

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	52.4	50.0	2.4	4.6%
July 1978	52.2	49.8	2.4	4.5%
August 1978	51.0	48.8	2.2	4.2%
September 1978	50.5	48.6	1.9	3.8%

Employment and Unemployment Situation:

The SMSA's labor force figures indicate the consistent nature of the Billings economy. Seasonal declines account for the drops from July to September but the diversified economy is keeping employment up in most non-agricultural sectors. The civilian labor force does show some contraction from last year but not enough to cause problems.

The unemployment statistics are showing continued improvement throughout the third quarter as the number of unemployed decreased by 500 from July's level of 2,400 to September's 1,900. The jobless rate for September is a very good 3.8% down from 4.5% in July.

BILLING SMSA (Yellowstone County) (Cont.)

Billings Employment by Industry (In Thousands)

	<u>July</u>	<u>August</u>	<u>September</u>	<u>% change from September 1977</u>
Civilian Labor Force	52.2	51.0	50.5	-3.4%
Employment	49.8	48.8	48.6	-2.9%
Agriculture	2.0	2.2	1.7	-.1%
Unemployment	2.4	2.2	1.9	-.5%
Non-Farm Wage & Salary (Total)	44.3	44.0	44.0	-.9%
Manufacturing	3.6	3.6	3.6	.1%
Contract Construction	3.4	3.4	3.3	0
Transportation, Public Utilities	3.8	3.8	3.8	0
Trade (Wholesale & Retail)	14.8	14.9	14.8	-.2%
Finance, Insurance, and Real Estate	2.2	2.2	2.2	.1%
Services & Mining	8.7	8.7	8.7	.3%
Government	7.8	7.4	7.6	-1.2%

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
237	216	670	573

Economic Highlights and Employment Outlook:

The third quarter is the usual high point for economic activity in the area and 1978 was no exception. The seasonal industries such as agriculture and contract construction had good seasons. The harvests are now all completed with sugar beets being the last.

Energy related developments continue to impact the Billings' SMSA economy. Coal development is occurring in many areas of Montana and Wyoming with Billings rapidly becoming the center for the industry. Continued expansion of coal mining is expected. On another front, the oil refineries have been guaranteed deliveries of Canadian crude oil through 1981 by a recent Canadian government decision. The oil is crucial to the continued operation of the facilities until a means of transporting Alaskan oil from the West Coast is determined.

BILLINGS SMSA (Yellowstone County) (Cont.)

The growth sector in Billings still appears to be the trade industry, both wholesale and retail. The new business tally is running ahead of last year with many of the firms being retail or service establishments. Reports also indicate that Billings is becoming a wholesale center for a large multi-state region.

BILLINGS SMSA (YELLOWSTONE COUNTY)

Civilian Labor Force

NOT SEASONALLY ADJUSTED

(in Thousands)

Date	Civilian Labor Force	EMPLOYMENT			UNEMPLOYMENT			Labor Manage- ment Dispute ^{2/}
		Total	Non-Ag	Agri.	Total	Percent ^{1/} County	State	
<u>1976</u>								
January	44.6	41.8	40.8	1.0	2.8	6.2	7.9	*
February	44.7	42.3	41.2	1.1	2.4	5.4	7.4	*
March	45.3	42.8	41.5	1.3	2.5	5.6	7.2	*
April	47.1	45.0	43.4	1.6	2.1	4.5	5.9	*
May	46.6	44.9	43.2	1.7	1.7	3.7	5.0	*
June	48.6	46.0	44.1	1.9	2.6	5.4	6.2	*
July	49.4	47.0	44.9	2.1	2.4	4.8	5.5	*
August	49.0	46.8	44.6	2.2	2.2	4.4	5.3	*
September	49.6	47.7	46.0	1.7	1.9	3.9	4.9	*
October	48.9	47.0	45.5	1.5	1.9	3.9	5.1	*
November	49.0	46.9	45.6	1.3	2.1	4.3	5.9	*
December	49.4	46.9	45.8	1.1	2.5	5.0	6.5	*
1976 Avg.	47.7	45.4	43.9	1.5	2.3	4.8	6.1	*
<u>1977</u>								
January	48.9	46.3	45.3	1.0	2.6	5.4	7.9	*
February	50.6	47.8	46.7	1.1	2.8	5.5	7.9	*
March	51.2	48.5	47.1	1.4	2.7	5.2	7.7	*
April	52.1	49.8	48.1	1.7	2.3	4.4	6.7	*
May	52.0	49.7	47.9	1.8	2.3	4.5	6.1	*
June	52.7	50.4	48.4	2.0	2.3	4.4	6.3	*
July	53.1	50.9	48.8	2.1	2.2	4.1	6.0	.1
August	54.3	51.9	49.6	2.3	2.4	4.4	5.7	.1
September	53.9	51.5	49.7	1.8	2.4	4.4	5.5	.1
October	53.6	51.3	49.8	1.5	2.3	4.3	5.4	.1
November	53.8	51.5	50.2	1.3	2.3	4.2	6.0	.1
December	52.9	50.6	49.5	1.1	2.3	4.3	6.1	.1
1977 Avg.	52.4	50.0	48.4	1.6	2.4	4.6	6.4	*
<u>1978</u>								
January	51.9	48.8	47.8	1.0	3.1	6.0	8.1	.1
February	53.8	50.2	49.1	1.1	3.6	6.7	8.8	.1
March	52.6	49.1	47.8	1.3	3.5	6.7	8.3	*
April	52.7	50.3	48.7	1.6	2.4	4.6	6.5	*
May	52.6	50.3	48.6	1.7	2.3	4.3	5.7	*
June	52.6	49.8	47.9	1.9	2.8	5.2	6.6	*
July	52.2	49.8	47.8	2.0	2.4	4.5	5.9	*
August	51.0	48.8	46.6	2.2	2.2	4.2	5.2	*
September	50.5	48.6	46.9	1.7	1.9	3.8	4.7	*
October	50.3	48.5	47.1	1.4	1.8	3.6	4.6	*
November								
December								
Avg.								

1/ Computed from whole (unrounded) numbers.

Series began January 1970.

2/ Non-additive - included in total employment.

Revised to 1977 Benchmarks.

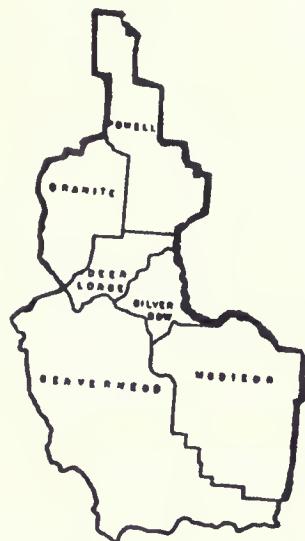
* Under 50.

Current month in italics is a forecast; previous month preliminary.

SECTION IV
LABOR MARKET INFORMATION
MONTANA LMA'S*

* LMA - LABOR MARKET AREA

ANACONDA - BUTTE LMA



The Anaconda - Butte Labor Market Area is composed of the six southwestern counties of Montana. A 1976 population estimate tallies 79,600 persons in the area. Anaconda and Butte are the biggest cities in the area, with sizable population centers also at Deer Lodge and Dillon. Mining and manufacturing are the primary industries in the Anaconda - Butte region while the rest of the LMA is mostly agriculturally oriented. State government is also a large employer with institutional facilities located in Warm Springs, Galen, and Deer Lodge, and state supported colleges at Butte and Dillon. A large federally funded energy research project is also having an economic impact on Butte.

Anaconda - Butte Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	33.6	30.9	2.7	8.2%
July 1978	37.9	34.7	3.2	8.6%
August 1978	36.0	33.3	2.7	7.5%
September 1978	34.6	32.3	2.3	6.2%

Employment and Unemployment Situation:

Despite some severe employment losses due to trade related reductions in the non-ferrous metal mining and processing industries, the LMA shows growth in all areas of the labor force. September's figures indicate a 4.9% increase in the force over last September, while employment shows a 5.6% jump in the same period.

The unemployment rate is running lower than last year but still is consistently above the statewide figure. The number of unemployed persons has, however, dropped by 900 since July to a September level of 2,300. The labor force statistics for the LMA show surprising strength, but unemployment problems continue to plague the area.

ANACONDA - BUTTE LMA (Cont.)

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
1978	1977	1978	1977
104	70	292	256

Economic Highlights and Employment Outlook:

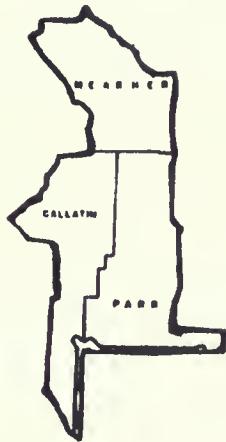
The construction season was a busy one throughout the area, especially for housing units. Projects were announced in Butte for an expansion of a shopping mall, a new motel convention center, and an uptown restaurant. Public works projects in the Butte area accounted for much employment during the summer. The Dillon area noted construction of retail facilities in addition to numerous housing units.

New business formations for the LMA are up for the quarter and the year with only Deer Lodge County showing decreases from last year. Butte (Silver Bow County) in particular had 53% more businesses started in the third quarter of 1978 than in the same period in 1977.

A possible shutdown of a transcontinental railroad may have impact in the Deer Lodge area where many employees are located. The line is going bankrupt, but it appears that the Western Montana portion of the line may be sold to another carrier.

The area's economy seems to be doing well and in a much more diversified pattern than in the past. The cutbacks in the metal mining and smelting industries have at least moderated with some hopes for even a reversal in trends. Agriculture noted a good year throughout the LMA although commodity prices have had some impacts. The energy research facility at Butte seems assured of continued funding and some expansion. The outlook for the LMA is optimistic although some negative factors like a high unemployment rate still exist.

BOZEMAN LMA



The Bozeman Labor Market Area consists of the three county area of Meagher, Park, and Gallatin Counties. Bozeman is the largest city in the LMA, and a large portion of the area is being served by Livingston. The estimated 1976 population is 52,200 for the three counties. Agriculture is the primary industry in the area, but recreational activities such as skiing, hunting and hiking are helping the area's economy to expand. These pursuits have resulted in large gains in the retail and service sectors. The government sector remains a large employer due to the location of Montana State University at Bozeman. The proximity to MSU has also attracted some electronic and research oriented firms to Bozeman in recent years.

Bozeman Labor Force

(In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	23.8	22.5	1.3	5.6%
July 1978	29.9	28.8	1.1	3.7%
August 1978	29.6	28.6	1.0	3.3%
September 1978	28.9	28.1	.8	3.0%

Employment and Unemployment Situation:

The labor force statistics show an expanding economy in the Bozeman LMA. The September civilian labor force was at 28,900, an 18% increase over last September's figure. The 28,100 employed persons were 19.5% above last year's September tally.

The jobless rate for the area showed similar improvement during the third quarter dropping from 3.7% in July, to 3.3% in August, and 3.0% in September. The number of unemployed individuals is calculated to be 800 in September, a drop of 200 since the same month a year ago. Overall, the labor force statistics paint a bright picture of the Bozeman LMA's economic health.

BOZEMAN LMA (Cont.)

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
152	103	436	342

Economic Highlights:

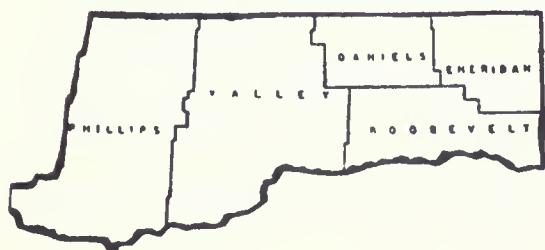
Construction activity in the LMA reached its peak during the third quarter. Work continued on a large expansion of a medical clinic and an insurance company headquarters, despite some delays due to a cement shortage. Housing erection continued but started to slow due to high interest rates. Building has commenced on a large regional shopping mall during the period and it should be completed by next spring or summer.

New business formations for the area continue well ahead of last year's pace; and the third quarter showed a 47.5% increase. New businesses are, of course, only one indicator but combined with the other positive signs they denote an optimistic outlook for Bozeman.

Retail and service industries have noted some declines as the summer tourist season ended, but this should pick up as the winter recreational activities begin. Establishments in the Bozeman area have also had their trade stimulated by the return of the college students to the University.

Agricultural interests report a good harvest season and a generally excellent year.

GLASGOW LMA



A five county area of Northeastern Montana makes up the Glasgow Labor Market Area. The estimated 1976 population of the area is 38,100. Agriculture is the dominant industry in the LMA with excellent wheat, oats, and barley producing land in the eastern portion,

GLASGOW LMA (Cont.)

while the western counties of Phillips and Valley are cattle grazing territory. Betonite mining and some oil and gas wells are in the area, but most other industry is trade or service, oriented toward serving the agricultural sector.

Glasgow Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	16.8	15.8	1.0	6.0%
July 1978	17.8	16.9	.9	5.2%
August 1978	17.7	16.9	.8	4.3%
September 1978	16.5	15.9	.6	3.7%

Employment and Unemployment Situation:

The Glasgow labor force shows mixed movements in the economy. The civilian labor force is shrinking as is the number of employed persons. The civilian labor force is at a 16,500 level for September, a 6.8% decrease from last September. Employment is at 15,900 a 5.4% drop from last year.

Concurrently the number of unemployed and the unemployment rate have improved considerably. The number of unemployed was 900, 800, and 600 respectively for the months of July, August, and September. These figures show consistent gains over last year's similar monthly totals of 1,200, 1,100, and 900 for the quarter. The jobless rate calculation of 3.7% is very low, even for September which is normally a low point in the year. Mixed implications can certainly be construed from statistics which show falling unemployment and a contracting labor force.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
46	36	106	104

Economic Highlights:

The agricultural community has completed a generally good harvest season, planting, and field preparation activities continue. Some shipment problems occurred as the recurring boxcar shortage plagues the area, therefore most grain elevators are full.

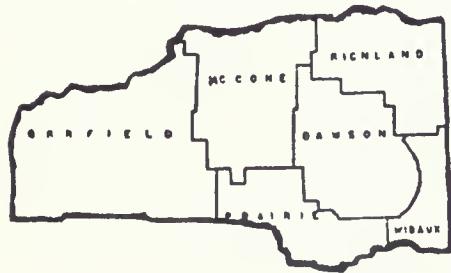
GLASGOW LMA Cont.)

New business starts show some gain during the three month period but the year-to-date total is about even with last year's similar figure. About the only conclusion that could be reached regarding new business formation is that they indicate the stable nature of growth in the LMA.

Construction reached a high point during the third quarter. Retail establishments and housing were underway throughout the area. Several public work projects were also in various stages. Building continues at two bentonite plants in Phillips and Valley Counties. A natural gas pipeline is being built in Phillips County.

The industrial park being developed at the Glasgow Air Force Base site released an optimistic report during the period, stating that it was in the black and several tenants were negotiating. The facility is probably a key to any large scale development in the area, as many past plans to develop the closed facility have not come to fruition.

GLENDIVE LMA



The Glendive LMA's six counties are basically an agrarian economy, but also supports large trade, service, and mining sectors. Oil and gas exploration is becoming an important sector in the area. The estimated 1976 population of the LMA is 29,200 with approximately 74% of this population located in Dawson and Richland Counties. The principal cities in the area are Glendive and Sidney, but even these communities depend heavily on the agricultural sector.

GLENDIVE LMA (Cont.)Glendive Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	14.0	13.4	.5	3.9%
July 1978	15.5	15.0	.5	3.4%
August 1978	15.4	15.0	.4	2.8%
September 1978	14.5	14.2	.3	2.3%

Employment and Unemployment Situation:

The labor force statistics for the LMA paint a picture of an extremely stable economy with little growth but also no relevant unemployment problems. The jobless rate for the area is consistently the lowest in the state and the third quarter has been no exception. The number of unemployed persons numbered 500 in July but has dropped to 300 by September.

The civilian labor force does show some signs of slight contraction as September's figure of 14,500 is 2.0% lower than last September's calculation. Employment is down a similar 1.4% over the same period and totaled 14,200 in September. The figures show an extremely stable labor market with no large projects causing rapid growth or subsequent decline and unemployment. The LMA is not among the most rapidly growing areas in the state, but more importantly it also does not have the resultant unemployment problems.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
54	43	164	127

Economic Highlights:

New business starts are up about 29% for the year with January through September total of 164. Dawson and Richland Counties account for virtually all of the business formation with Richland's total in particular showing a substantial increase compared to last year. New businesses are but one indication of economic conditions and should be

GLENDIVE LMA (Cont.)

used in concert with other economic indicators.

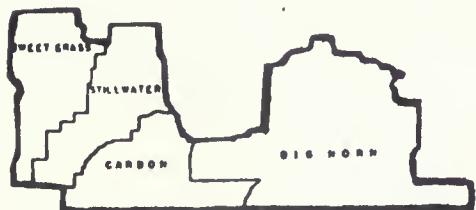
Agriculture, the basic industry of the area, had an excellent harvest season. The sugar beet harvest was recently completed and the processing facility in Sidney is in full production.

Construction activity abounds in the LMA, again concentrated in the Sidney and Glendive areas. Retail establishments, office complexes, and housing projects were underway in Sidney. Restaurants are nearing completion in both Glendive and Sidney.

Energy related developments are occurring in various parts of the area. A railroad firm has formed a resource concern for the potential development of lignite reserves near Circle. Oil exploration activity is continuing as weather permits with some demand for experienced workers.

Shortages of some workers, especially in certain skills, have existed in the Glendive area. The Job Service local offices have noted openings for medical personnel, mechanics, and restaurant workers.

HARDIN-RED LODGE LMA



This four county labor market area surrounds the southern portion of the Billings SMSA and is in actuality an extension in some ways of the Billings trade, however, distinct economies do exist in various portions of the LMA. The Hardin area has historically been a strong agricultural area but energy related developments are now beginning to take place in the coal fields.

Red Lodge, once itself a coal mining area, is now an all season recreational center. Stillwater and Sweet Grass Counties remain basically agricultural areas. The estimated 1976 population of the LMA is 27,300.

HARDIN-RED LODGE LMA (Cont.)Hardin-Red Lodge Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	11.8	11.1	.7	5.8%
July 1978	13.1	12.5	.6	4.8%
August 1978	13.7	13.1	.6	4.2%
September 1978	12.3	11.9	.4	3.3%

Employment and Unemployment Situation:

The civilian labor force for the Hardin-Red Lodge area is at about the same level as last year, with a lower number of unemployed persons counted. The civilian labor force for September is 12,300 compared to last September's 12,400 figure. Employment, however, is larger with a calculation of 11,900 this September compared to last year's 11,800

Unemployment both in the number of persons and rate has been improving. The number of unemployed is now 400 down from July's tally of 600, and 200 lower than last September's figure of 600. The jobless rate was 4.8%, 4.2%, and 3.3% respectively for July, August, and September all improvements over last year's similar figure.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
27	26	112	83

Economic Highlights:

Agriculture reached its peak season for activity and employment during the quarter. Harvests were reported to be good for all crops in the area. The sugar beet harvest was the last major crop to be harvested and is completed. The future of sugar beets as an area crop may be determined by federal legislation regarding price supports and imports.

The tourist related trade and service sectors in Red Lodge reported a good summer season and are anticipating an excellent winter season. The ski area has added snow-

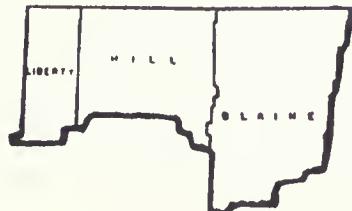
HARDIN-RED LODGE LMA (Cont.)

making equipment guaranteeing more reliable conditions for the upcoming season. This should in turn bring more people into the area to ski.

Coal development continues to have an impact on Big Horn County. Energy firms and related support concerns are locating in Hardin, the nearest town to some of the coal fields. Leasing decisions by the Crow Indian Tribe could have additional energy impacts on the area.

New business formations for the area are up for the year, although the third quarter totals are close to last year's similar period. The new firms are spread throughout the area, with all four counties showing gains.

HAVRE LMA



The Havre area; which includes Hill, Blaine, and Liberty Counties; could best be described as an agricultural area. Grains are the main crops with wheat, oats, and barley in abundance. Cattle are also raised in large numbers in Blaine County. Havre is the main commercial center in the area, with a railroad line as the other large employer. Some government employment is also noted at Northern Montana College in Havre. The area is estimated to have 1976 population of 28,000 persons.

Havre Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	12.8	12.1	.7	5.1%
July 1978	13.6	12.9	.7	5.2%
August 1978	13.3	12.7	.6	4.7%
September 1978	12.5	12.1	.4	3.6%

HAVRE LMA (Cont.)

Employment and Unemployment Situation:

The jobless rate for the Havre area shows notable improvement during the period. The rate dropped to 3.6% in September, from July's 5.2% and August 4.7%. September is usually a low month for the unemployment rate but this even is an improvement over last September's 4.3%. The number of unemployed persons in the area is now 400, down from July and August tallies of 700 and 600.

The improving unemployment figures are, however, being caused by a contraction in the civilian labor force rather than expanding employment. The civilian labor force has dropped by 6.7% from last September, to a September 1978 level of 12,500. Employment dropped by a similar 5.5% or 700 people for the same period. Overall then the labor force statistics indicate a smaller labor force and economy for the LMA, but with a higher percentage of persons gainfully employed.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
42	33	121	120

Economic Highlights:

Construction highlights the area economy for the third quarter. An \$8 million shopping center is in various stages of construction in Havre. The complex will employ 500-600 people when completed. A project rebuilding the Tiber Dam spillway is Liberty County was to be completed during the summer. Offices, retail establishments and housing units are also underway in the area.

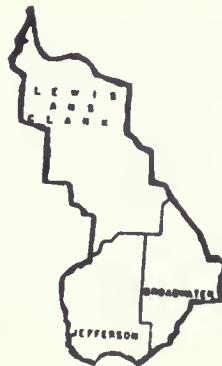
The harvest season was completed in the rich grain producing portions of the area during the period. Good harvests were reported, and activities still underway included seeding and fallowing.

Gas and oil activity continue in the LMA. Exploration drilling was in progress and a natural gas pipeline was being built. The passage of the national energy bill should spur even more exploration and development of natural gas reserves in the area.

HAVRE LMA (Cont.)

Trade activities appear to be about normal and new business formations show no radical movements, either up or down. In fact, the year-to-date total of new business is almost an exact duplicate of 1977's total at the same point in time. The LMA shows an economy that is stable in nature with few indications of notable trends up or down.

HELENA LMA



Government is the largest industry in the Helena Labor Market Area due to the location of the state capitol at Helena. Other supportive industries include quite substantial trade and service sectors, state headquarters for some private firms, and a metal processing facility at East Helena. The remainder of the area, excluding Helena, is basically agricultural excepting a state institution located at Boulder.

The estimated 1976 population of the area is 48,000.

Helena Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	24.9	23.5	1.4	5.7%
July 1978	28.4	26.8	1.6	5.5%
August 1978	27.8	26.4	1.4	4.9%
September 1978	27.1	25.9	1.2	4.4%

Employment and Unemployment Situation:

The labor force statistics indicate that the Helena economy is expanding with employment gains and concurrently the unemployment rate is dropping. The civilian labor force is running about 6-10% above last year's figures, at a September level of 27,100. Employment levels are showing even slightly better increases with September's calculation at 25,900. The figures are, of course, starting to decline in September but this is a seasonal expectation.

The number of unemployed people declined during the quarter from a July high of 1,600 to the September level of 1,200. The September figure is also 200 below last year's

HELENA LMA (Cont..)

calculation for the month. The jobless rate shows similar improvements and is at 4.4% for September. This is a considerable improvement over last September's 5.4% and July and August comparisions brought similar results. The employment outlook is good, with an expanding labor force and an even faster growing employed population.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
1978	1977	1978	1977
100	94	323	290

Economic Highlights:

The third quarter was very conclusive to construction in the Helena area as many projects continued. The airport terminal neared completion and the new highway department complex was being occupied. The trade and service sector created projects such as a bank, a large grocery chain, and restaurants. Historical renovation projects are continuing downtown, and a major project to remodel the old federal building into a city-county facility should begin soon. Housing units are still underway but high interest rates seem to be slowing the market down.

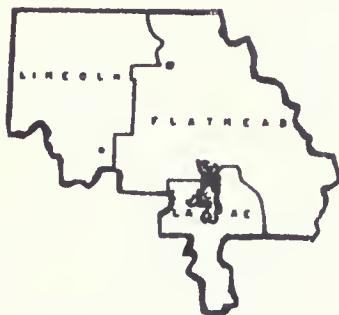
The controversy over shopping center construction in Helena is continuing. Large mall developments, both in the city and outside, have been proposed and are tied up in governmental approval procedures. Proponents claim that market studies justify more retail expansion in Helena, but opponents argue that the traffic and environmental problems created merit more study, and possible development in the downtown area.

Government employment was effected by a "hiring freeze" imposed during the period on state government. Demand is still seen in many occupations particularly the clerical fields. The implications of the nationwide "tax revolt" may be assessed better in the decisions made on future budgets.

HELENA LMA (Cont.)

A bakery plant closed in Helena with a resultant layoff of 25 employees earning \$250,000 annually. The cake plant was part of a regional firm recently purchased by a larger firm and did not meet the determined production standards.

KALISPELL LMA



The Kalispell Labor Market Area's economy is very dependent on its primary industry, lumber and wood products. Kalispell is the commercial center of the area with other substantial centers of population at Libby, Columbia Falls, Whitefish, and Polson. The scenic and recreational activities in the LMA also attract large numbers of people, some who decide to stay. The 1976 population of the three county area is estimated to be 79,200. The area is a rapidly growing one but is not without its economic problems.

Kalispell Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	31.5	28.4	3.2	10.1%
July 1978	38.4	35.4	3.0	7.9%
August 1978	37.9	35.3	2.6	6.8%
September 1978	37.1	34.7	2.4	6.5%

Employment and Unemployment Situation:

The labor force in the Kalispell LMA is expanding rapidly. The civilian labor force of 37,100 in September was a 14.5% increase over last September's level. Employment shows similar gains over last year during the third quarter. The figures are, of course, starting to decline seasonally, but still show large gains over last year's statistics.

The number of unemployed persons dropped during the quarter and from last year. A count of 2,400 jobless people was made in September. The jobless rate also decreased

KALISPELL LMA (Cont.)

from 7.9% in July, to 6.8% in August, and 6.5% in September. The September rate is a considerable improvement over last September's 8.0%, however it should be noted that it is still high in comparison to the statewide rate of 4.7%. The labor force statistics are much better, but still not that good an indicator.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
1978	1977	1978	1977
178	164	533	452

Economic Highlights:

New business firms are forming at an 18% faster clip this year than last in the Kalispell LMA. This figure indicates particularly rapid expansion in the retail and service sectors.

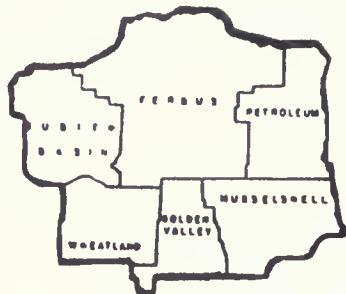
Agriculture had a good year in the area, with the harvests of cherries, apples, and potatoes going well. Christmas trees are becoming a big crop for the area and the harvest will start soon.

Construction of various forms took place throughout the Kalispell LMA. In Libby a courthouse addition is progressing well and a street project took place during the quarter. A project to construct a re-regulation dam at Libby Dam has been halted by a court injunction, but work continues on a fish hatchery. A new high school gymnasium is underway in Whitefish. Housing units and various commercial ventures are in building stages throughout the LMA.

The retail and service sectors noted a good year as far as the tourist trade was concerned. The winter trade at Whitefish is expected to exceed even its normal high rates, as some expansion has occurred at the ski area.

The dominant area industry, lumber and wood products, is currently at high levels of employment and production, but there may be clouds on the horizon. The recent rise in interest rates may slow construction with subsequent drops in the demand for wood products.

LEWISTOWN LMA



Lewistown is the prime retail and service center to its six county labor market area, with the dominant area industrial sector being agriculture. Harlowton serves a portion of the area and has some railroad employment, while Roundup also serves as a retail center for part of the LMA. The six county area has an estimated 1976 population of 24,300.

Lewistown Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	10.5	9.9	.6	5.5%
July 1978	11.4	10.8	.6	5.1%
August 1978	11.3	10.9	.4	3.9%
September 1978	10.4	10.1	.3	3.3%

Employment and Unemployment Situation:

A slight decline in the labor force figures and a declining unemployment rate keynote the conditions in the Lewistown LMA economy. The civilian labor force for September was 10,400 which is a 5.5% drop from last September's figure. Employment is at 10,100 for September, 5% below last year's count, and a seasonal decline from July's 10,800 and August's 10,900.

The jobless rate dropped during the quarter from 5.1% in July to 3.3% in September. September is normally a low month but the figure is even below last September's 3.5% calculation. The number of unemployed persons is at 300 for September down from August's 400 and July's 600. The labor force statistics for the quarter indicate a slight contraction of the labor market but with a low unemployment rate.

LEWISTOWN LMA (Cont.)

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
29	31	88	87

Economic Highlights:

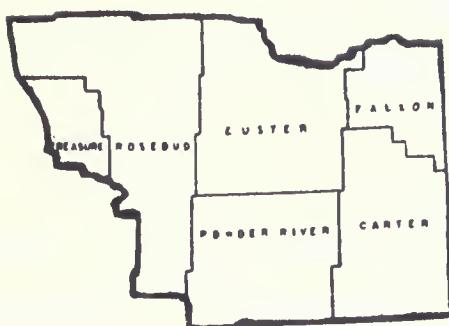
The agricultural harvests were completed during the quarter with reports of a good year for most crops. Some delays were experienced in shipping grain and elevators are full.

A major development affecting the LMA is the possible shutdown of the bankrupt trans-continental railroad that crosses the southern portion of the area. Harlowton is a center of employment for the line and a shutdown would seriously effect the town's economy. The line is also the most utilized means of transporting agricultural products from the area and its loss could make transportation cost prohibitive to some crops. Several ways of keeping the line running have been mentioned including employee ownership, federal loans, and sale to another party; but the future does not look bright for the line and consequently for the area.

Several construction projects were close to completion in the area including a bank, an addition to a motel, a quick service grocery store, and several homes. Most projects should be closed in before severe weather hits the area.

The construction project to update missile sites in the area was shutdown for most of the period but has now resumed. The project is in its final stages and should be completed by mid-winter or spring.

MILES CITY LMA



Six counties of Southeastern Montana make up the Miles City Labor Market Area. The area is agriculturally oriented with large portions of it devoted to the grazing of cattle and sheep. Sugar beets and grains are also significant crops in some parts of the LMA. The major commercial center of the area is

Miles City. Recent energy developments have been felt in Rosebud and Powder River Counties from coal exploration and mining, and power plant construction. The area's estimated 1976 population is 32,400.

Miles City Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	14.8	14.0	.7	4.8%
July 1978	15.7	15.0	.7	4.5%
August 1978	15.5	14.9	.6	4.0%
September 1978	14.8	14.2	.6	3.8%

Employment and Unemployment Situation:

The Miles City labor force reached its seasonal peak in July and August, and September began to show decreases as the agriculture and construction seasons ended. The figures do seem to also show that the labor force has contracted slightly since last year. The civilian labor force of 14,800 in September is 2.2% lower than last year's September figure of 15,100. The level of employment is at 14,200 a 2.1% decrease since last September.

The jobless rate for the LMA was at 4.5%, 4.0%, and 3.8% for July, August, and September respectively. The number of unemployed persons has, however, been falling from 700 in July to 600 in September, the same as last September. The statistics show the stability of the area's economy as figures have varied little since last year.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
44	39	118	108

MILES CITY LMA (Cont.)

Economic Highlights:

Construction continued to highlight the Miles City economy during the quarter. Major projects included the community college building, a shopping complex, and a street paving project. Business establishments and housing units also were being completed.

The bankruptcy of a transcontinental railroad and its possible shutdown would be felt in the area as 125-135 of the firm's employees are located in Miles City. Several scenarios have been presented to keep the line in operations and the future should bring more concrete developments. In another railroad report, but this one in a positive vein, an \$800,000 rail care repair facility will be built in Miles City employing 45-50 individuals.

A major hailstorm hit the area during the quarter causing \$3-4 million in damages. The storm did, however, in a paradox of sorts, aid the area's economy as the insurance claims paid out brought much repair work to certain businesses.

The agriculture sector completed a good harvest and field preparation began. The sugar beet harvest began during September with a good crop expected. Livestock prices held fairly stable during the period.

New businesses for the area are up slightly but no dramatic change was noticed. A new mini-mall facility opened in downtown Miles City. The outlook for the LMA is for a stable economy with some slight growth.

MISSOULA LMA



The dominant industry in the Missoula LMA is lumber and wood products, with both large and small firms in all facets of the industry located throughout the labor market area. Missoula is becoming a large trade and cultural center for Western Montana, with substantial

MISSOULA LMA (Cont.)

retail, wholesale, and service sectors and a large university. Agriculture is also important to the area especially in fast growing Ravalli County. The 1976 population of the four county area is 95,500.

Missoula Labor Market (In Thousand)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	44.4	40.8	3.6	8.1%
July 1978	53.5	49.9	3.6	6.7%
August 1978	52.3	49.2	3.1	5.8%
September 1978	52.2	49.5	2.7	5.2%

Employment and Unemployment Situation:

The Missoula LMA civilian labor force is expanding rapidly as this September's 52,200 level is 13% above the 46,100 reported for September of 1977. The labor force did show slight seasonal drops from July to September but nothing abnormal. Employment levels are above last year's similar figures as the 49,500 noted for September is a 16% increase over last September. These figures indicate the strong growth occurring in the Missoula area.

The jobless rate for the LMA is lower than last year, but still high compared to the rest of the state. The September rate is 5.2% a considerable improvement from last September's 7.1%. July and August noted similar improvements over last year's rates. The number of unemployed is also falling and is 600 less than a year ago. A reported 2,700 people were out of work in September in the area. The statistics definately confirm the growth taking place in the Missoula area but the high unemployment rate hinders more optimism.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
220	209	649	591

Economic Highlights:

New businesses are running about 10% above last year's figures as 649 new firms have been formed from January to September. The new firms are not limited to the Missoula

MISSOULA LMA (Cont.)

area proper, but also include good increases in the other counties, especially Ravalli.

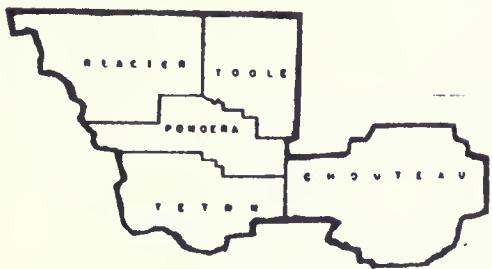
Retail trade and service establishments continue to open throughout the area. A large regional shopping mall opened in Missoula during the quarter and an addition is already underway.

Construction was at its peak during the period as the rush to enclose buildings before bad weather commenced. Major projects in various stages of completion include the new airport terminal and an addition to the city hall. New housing units are underway but higher interest rates may be beginning to slow the market. Building permits have been decreasing both in value and number of units in recent months.

A labor dispute is lingering at an area hospital and no end appears to be in sight.

A plastics factory is being relocated to the Hamilton area from California. The firm is not yet in full operation and employment levels are not known.

SHELBY-CUT BANK LMA



Agriculture is the major industry in this rich, grain producing area of Northern Montana with the oil and gas sector and tourism as other major industries. No one large trade center exists with Shelby, Cut Bank, Browning, Conrad, Choteau, and Fort Benton serving their respective counties and with major trade going

to Havre and Great Falls. The oil and gas producing areas should become even more important as the energy situation clarifies. The population of the five county labor market area was estimated at 35,500 in 1976.

Shelby-Cut Bank Labor Force (In Thousands)

	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
1977 Annual Average	17.0	15.9	1.0	6.1%
July 1978	20.1	19.0	1.1	5.6%
August 1978	20.1	19.0	1.1	5.5%
September 1978	18.5	17.6	.9	4.8%

Employment and Unemployment Situation:

The jobless rate for the Shelby-Cut Bank LMA is getting lower reaching a 4.8% rate in September after being at 5.5% in August and 5.6% in July. The number of unemployed persons has dropped by 200 in the past three months and is now at 900. The rate is slightly lower than last September's 5.1% but the change is due to an increase in the labor force as approximately the same number are unemployed as last September.

The civilian labor force has expanded a little and is now at 18,500 for September or 200 above last year's figure for the same month. The labor force figure peaked at 20,100 in both July and August as is normal but those levels were also somewhat higher than last year. Employment in September was at 17,600 up by about 1% from last September. The employment peak for the year was reached in July and August at a 19,000 level.

New Business Formations

<u>3rd Quarter</u>		<u>Year-to-Date</u>	
<u>1978</u>	<u>1977</u>	<u>1978</u>	<u>1977</u>
49	34	185	150

Economic Highlights:

Agriculture, the largest industry in the LMA, completed its harvest season with reports of above average yields in most areas. Some isolated hail damage hit the area in late summer. Other farming continued into the fall as good weather prevailed.

A 23% increase in new business formations was noted for the first nine months of 1978 in the LMA. The new firms are in all parts of the area, with Glacier County reporting a large increase.

Construction activity was widespread in the area as contractors strained to have buildings completed or enclosed before inclement weather hits. A civic center and a senior citizens facility are almost completed in Cut Bank, and a church in Shelby has most of the exterior done. Housing is also underway throughout the LMA, and a 16 store shopping

SHELBY-CUT BANK LMA (Cont.)

center should soon be started in Cut Bank.

Trade activity has been above normal for most of the year as retail establishments are doing well. Tourism in the area brought the seasonal peaks to the retail and service sectors.

Oil field activity, both exploration and otherwise, has continued with some demand for workers noted. The area is experiencing a severe shortage of all types of nurses in the medical sector.

Overall, this primarily agricultural LMA has noted a good year and with some diversification now coming to the economy the outlook for the future is optimistic.

The average number of workers employed in agriculture during the calendar year 1978.

<u>Area</u>	<u>Agriculture</u>	<u>Area</u>	<u>Agriculture</u>
Beaverhead	767	Ravalli	866
Big Horn	962	Richland	812
Blaine	714	Roosevelt	697
Broadwater	281	Rosebud	550
Carbon	757	Sanders	272
Carter	505	Sheridan	647
Cascade	1,305	Silver Bow	221
Chouteau	1,273	Stillwater	444
Custer	663	Sweet Grass	525
Daniels	450	Teton	847
Dawson	788	Toole	585
Deer Lodge	149	Treasure	182
Fallon	347	Valley	1,000
Fergus	1,245	Wheatland	351
Flathead	596	Wibaux	286
Gallatin	1,209	Yellowstone	1,516
Garfield	376		
Glacier	447		
Golden Valley	216		
Granite	190		
Hill	910		
Jefferson	210		
Judith Basin	613		
Lake	1,053		
Lewis & Clark	674		
Liberty	353		
Lincoln	210		
McCone	530		
Madison	857		
Meagher	316		
Mineral	12		
Missoula	409		
Musselshell	328		
Park	585		
Petroleum	168		
Phillips	790		
Pondera	810		
Powder River	554		
Powell	284		
Prairie	314		



Potato Cellar Work
Anaconda Local Office Area

